SHIN Annual Report 2000-2001

102-00054/

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Letter of Transmittal

Regina, Saskatchewan
March 31, 2001

To Her Honour Lynda Haverstock
The Lieutenant Governor of the Province of Saskatchewan

I have the honour of submitting herewith the Annual Report of the Saskatchewan Health Information Network (SHIN) for the year ending March 31, 2001, including the financial statements duly certified by auditors for the corporation, and in the form approved by the Treasury Board, all in accordance with *The Crown Corporations Act*, 1993.

Respectfully submitted,

Honourable John Nilson,
Minister of Health

Letter from the CEO

The past year was a significant one for SHIN and its health sector partners. There was a lot of joint work done which has begun the process of developing a more integrated provincial health system.

SHIN worked very closely with health districts through a number of joint committees to identify health sector information technology needs and priorities. These identified needs and priorities were then used to create a longer-term development plan for SHIN and the health sector. The committees SHIN and its health sector partners work through include: a Health Information Technology Steering group (HITS), a Network Architecture and Security group (NAS), the Saskatchewan Medical Association (SMA) Technical Group and the Major Players group which involves representatives from Saskatoon District Health, Regina Health District, Saskatchewan Health and SHIN.

SHIN and Saskatchewan Health also worked on the national level with other governments on common areas of development to leverage federal and provincial resources, facilitate the development of connecting infrastructures and to reduce work and cost duplication.

SHIN is a member of the Western Health Information Collaborative (WHIC) made up of representatives from British Columbia, Alberta, Saskatchewan, Manitoba, the Northwest Territories, Nunavut and the Yukon. In 2000/2001 WHIC's key projects included a Service Provider Registry, Lab test standards and continuing care tools.

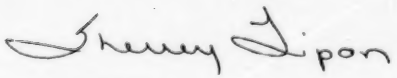
Also in 2000/2001, SHIN and its health sector partners worked on development plans for CommunityNet; began implementation of a high level security infrastructure called Public Key Infrastructure (PKI); began centrally hosting the Minimum Data Set (MDS) application for health districts; pilot tested the use of hand-held computers with the MDS application; worked with Saskatoon District Health on the implementation of an electronic health record application in the district; began developing a bundle of services that would assist physician offices; worked on procuring a common integrated system for the midsized health districts; and developed a set of requirements for a new provincial Home Care system.

In addition, in 2000/2001 SHIN expanded its e-mail system to include 27 of the 32 health districts. The Corporation's Help Desk provides technical support to eight health

Letter from the CEO – Continued

districts, the College of Physicians and Surgeons of Saskatchewan and the Department of Family Medicine, a total of more than 1100 users. SHIN is also now centrally hosting seven applications that support the work of its health system partners. We expect this number to grow as we work to identify the needs and requirements of different health districts and health agencies.

I would like to thank the SHIN staff, SHIN Board and all of our partners and stakeholders for their hard work and dedication to moving health informatics forward in this province. I anticipate another exciting and productive year in 2001/2002 as we work with all members of the province's health sector to reinvigorate Saskatchewan's health system for the next century.



Shelley Lipon,
CEO SHIN

SHIN Board of Directors

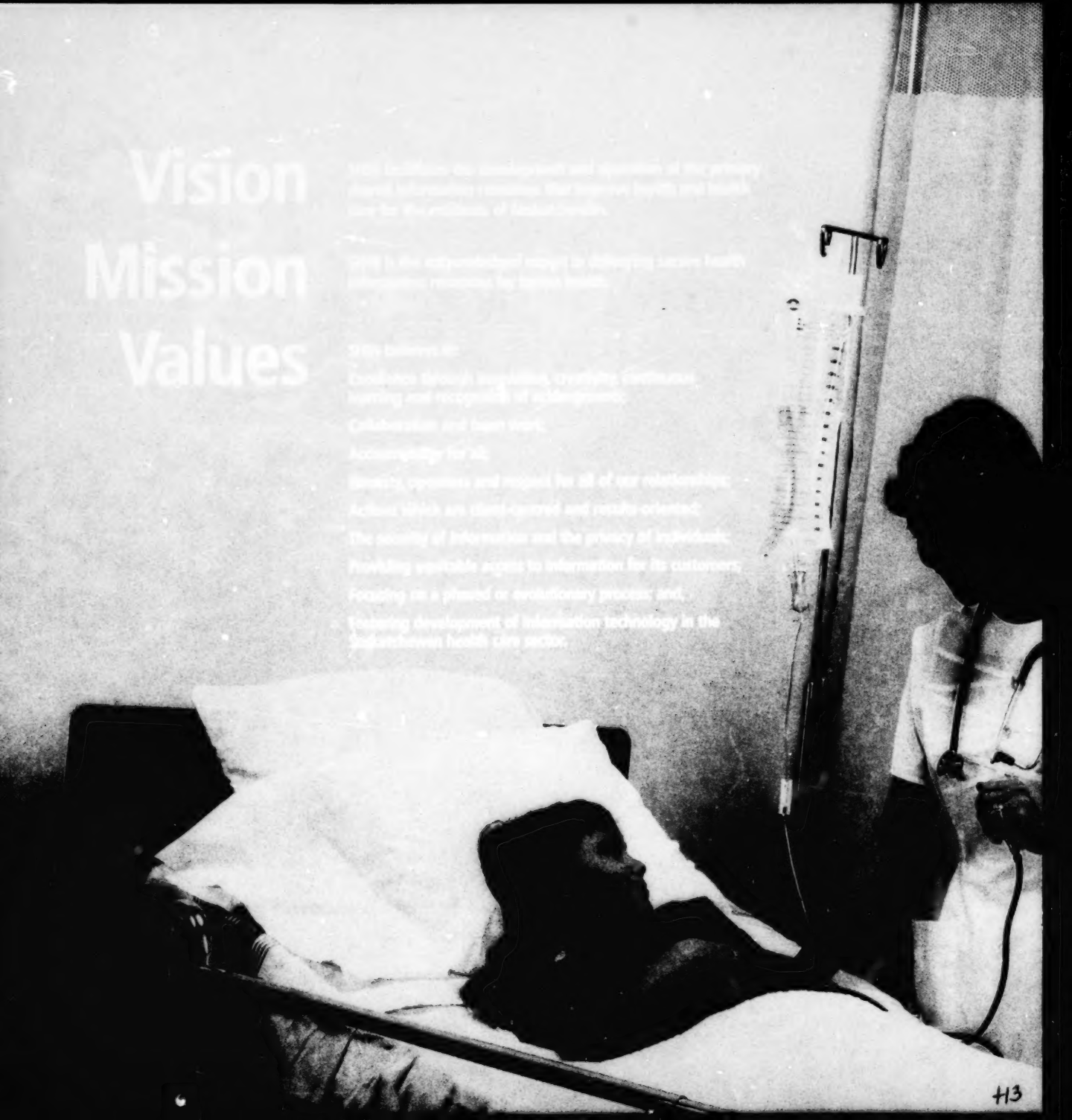
The SHIN Board of Directors is made up of stakeholder representatives from across the health sector and the general community. Organizations represented are listed below. Board members are pictured from left to right.

Front row: Angela Hauser Bowen – *Saskatchewan Registered Nurses Association,* Ruth Robinson – *Community Representative,* John R. Grossman, Board Chair – *Community Representative,* Kelly Block – *Gabriel Springs Health District,* Dr. Dennis Kendel – *College of Physicians and Surgeons of Saskatchewan*

Back row: Rae Haverstock – *Saskatchewan Finance,* Robert Bundon – *Saskatoon District Health,* Lawrence Krahn – *Saskatchewan Health,* Brian Rourke, Board Vice-Chair – *SAHO/Regina Health District*

Missing: Stan Rice – *Prince Albert Health District*

Vision
Mission
Values



SHIN Development

SHIN was initially created to address the need for effective and efficient services within the health sector. When work began on reforming Saskatchewan's health system in 1992, a province-wide health information system was identified as a requirement. It was recognized that as part of ensuring the sustainability of the health system, health providers and health systems from across the province needed a tool that would allow them to connect with each other.

In August 1997, Minister of Health, Clay Serby announced the creation of a Treasury Board Crown Corporation called the Saskatchewan Health Information Network (SHIN).

It was anticipated that the Corporation would focus its work on developing a province-wide electronic health record. However, that mandate did not take into account the complexity of bringing the health sector to the point where information could be fed electronically into a patient record.

An extensive consultation process with a broad cross section of health sector representatives, which was initiated soon after SHIN's creation, identified four key priorities that providers felt needed to be addressed by SHIN. These priorities are:

Essential information about a patient is not available when they return to their community.

Information about previous treatment plans is not available.

Diagnostic test data is not available resulting in repetition of tests.

Essential data is not available for emergencies.

This process also identified a significant information technology gap within the health sector. Therefore it was identified that extensive work needed to be done in the health sector to address this gap before the corporate vision could be accomplished.

SHIN began to work with health districts and Saskatchewan Health on building the base to support the technology required for a province-wide health information system. Somewhat like building the foundation of a house before putting up the walls, SHIN invested in the design and development of a province-wide network infrastructure as the initial phase in the creation of a health information network. The network infrastructure developed included:

a data centre;

a help desk;

a test lab;

the first phase of district connectivity; and

the first phase of security infrastructure development.

This investment in the infrastructure design and development positioned SHIN to offer common information technology solutions to the health system thereby reducing duplicate costs, ensuring better communication and providing an enhanced level of support to health providers in their use of technology.

In 1998/99 SHIN began development of an e-mail system and a Help Desk for the health sector. The e-mail infrastructure established a foundation which facilitates the transfer of electronic messages, permits access to calendars and a common address list, facilitates meeting scheduling and information sharing through the use of public folders, and provides enhanced security services.

The Help Desk service provides network users with a place to call when they need help with the system or if they are having trouble with a SHIN supported health care application. In addition, the Help Desk acts as an

SHIN Development – Continued

information source for users, providing them with regular updates on upgrade plans, maintenance schedules, etc.

This infrastructure positioned the Corporation to integrate a number of health networks and begin adding services to the Corporation's infrastructure base, which support health providers.

In 1999/2000 SHIN began work with various stakeholder organizations to develop pilot projects that would build on SHIN's existing infrastructure, address one or more of the identified priorities, meet the needs of the stakeholder organization, and make progress toward SHIN's overall goal of developing a province-wide electronic health record.

All of these projects contributed to developing SHIN's infrastructure as pre-requisite steps to addressing one or more of the top four priorities identified by stakeholders in the 1997/98 consultation process. SHIN re-affirmed that these continue to be the health sector's top priorities through a stakeholder survey done in the spring of 2000.

Sending Health Information Securely

Since its inception, SHIN has focused significant efforts and resources on developing a highly secure network infrastructure. SHIN will be using a mixture of measures to maintain the security of patient information. In fact, security measures around patient information on the SHIN will go much further than they do today.

These new security measures will include encryption, strong authentication, digital signatures and auditing.

In 1999/2000 SHIN participated in a working group with the Canadian Institute for Health Information (CIHI) on the development of a highly secure telecommunications infrastructure called Public Key Infrastructure (PKI). A decision was made in that year that SHIN would use the highly secure PKI infrastructure when transferring information over the Internet because it was the only existing infrastructure that would enable all of the security measures demanded by SHIN.

PKI is a combination of policy and software which provides security many times higher than that used by much of the banking industry. It ensures that the transfer of health information will be done securely, and will ensure national compatibility with Health Canada on health information transfers.

Implementation of PKI will include the creation of a Certificate Policy and Certificate Practice Statement to enforce the policies and procedures of a Public Key Infrastructure.

The provinces of Saskatchewan and Prince Edward Island, as well as Health Canada and CIHI, all participated in the National PKI pilot project.

PKI has the potential to be the security infrastructure used by information networks across the country. This has positioned SHIN in the forefront of network security development.

With the implementation of CommunityNet, SHIN continues to enhance its security model by including Virtual Private Networks (VPNs) to each facility. The VPN will be used to increase the level of facility authentication, as well as data encryption.

For SHIN to meet the needs of health providers and Saskatchewan people, it must ensure that personal health information is secure, and is only accessible by care providers for treatment purposes. Providers will only be able to access patient information on a need-to-know basis using one of the highest methods of authentication available today.

SHIN has also provided ongoing input into the development of the province's *Health Information Protection Act*. The Corporation is working to ensure that all SHIN initiatives fully comply with the *Act*.

The *Act* will govern how personal health information is collected and stored both in electronic networks such as SHIN and in a paper-based world. It also legislates that personal health information in any electronic health network, including SHIN, is shared between an individual's health care providers only on a need-to-know basis.

Health Information Technology on the National Front

Nationally, there is much work going on in the area of health information systems. All provinces are in some way involved in the development of these systems.

Since SHIN development got underway relatively early and has progressed in a measured and steady pace since its inception, Saskatchewan is now one of the provinces in the forefront of this development. SHIN is playing a key role in a number of important areas.

There has been significant collaborative work done to reduce work duplication over the past few years. While this collaborative work involves most provinces and the federal government, SHIN has done a significant amount of work with the western provinces.

The Corporation is a member of the Western Health Information Collaborative (WHIC) which includes representatives from Alberta, British Columbia, Saskatchewan, Manitoba, the Northwest Territories, Nunavut and the Yukon.

This Collaborative is working together on common areas of interest around health information initiatives. It is working to leverage federal and provincial resources and to facilitate the development of connecting infrastructures. It is also working to reduce duplicate spending on systems development.

WHIC has focused its efforts initially around systems in the areas of tele-health, immunization, cancer screening registry, consumer access to health information, provider electronic health claims, laboratory services, reciprocal billing and service provider registries. The Collaborative intends to begin work procuring a registry system in early 2001/2002. British Columbia is leading this project with all other WHIC members providing significant input.

In 2000/2001, the federal government put aside $500 million towards health informatics. These resources will be used in the development of electronic health record and tele-health initiatives. The funds are being placed in a new corporation called the Canada Health Infoway Corporation.

The Corporation will be operational in the fall. It will foster collaborative federal/provincial/territorial work on standards and technology development. The Corporation will have a 10-member government/health sector board with representation from across the country. It will set the overall direction for the Corporation. The Corporation will determine how best to invest the federal funds in accordance with the vision of a pan-Canadian electronic health record.

In 2000, the federal government transferred $500 million to the Corporation to "accelerate the development and adoption of modern systems of information technology such as Electronic Health Records".

SHIN will continue to ensure its development will remain in step with the development underway in other provinces, and will work to ensure that any development and implementation cost duplication is kept to a minimum or where possible, eliminated.

SHIN's Progress on the Strategic Plan – Continued

▶ PROTECT THE PRIVACY OF PERSONAL HEALTH INFORMATION.

What we planned	What we did	What this means
Develop improved systems and practices to protect the privacy of personal health information in SHIN.	• Began work on a national Public Key Infrastructure (PKI) pilot project with Health Canada and PEI to ensure cross certification across jurisdictions is possible.	• SHIN is taking a leadership role in the development of a highly secure infrastructure for the health sector.
Maintain compliance with the systems and practices.	• Began work on a national PKI pilot project with Health Canada and PEI to ensure cross certification across jurisdictions is possible.	• SHIN and Health Canada are in agreement that security levels around information transfer are highly secure, and appropriate.
Independent review of systems and practices report positive compliance.	• Implementation is not yet at a stage for an independent review.	• Independent review planned for future.
Stakeholders are confident that their personal health information is private and protected.	• SHIN's CEO began a presentation tour of health districts identifying SHIN's progress and development plans.	• SHIN is providing information to health providers and gathering feedback which will be used to meet the needs of health providers.

SHIN's Progress on the Strategic Plan

▶ REFLECT THE PRIORITIES OF THE HEALTH SYSTEM.

What we planned

SHIN has an improved knowledge of the health system.

What we did

- Participated in health sector Information Technology committees.
- Participated in interprovincial and national health information technology committees.

What this means

- Common work reduces duplicate efforts and duplicate spending.

What we planned

SHIN has systems and practices to ensure projects reflect the priorities of the health system.

What we did

- Surveyed health districts and health agencies to identify priorities over the next three years.
- Began working with health districts on the development of a provincial Information Technology plan.
- SHIN is a member of the district led Health Information Technology Steering group (HITS).
- SHIN is also a member of the Network Architecture and Security group, a subcommittee of HITS.

What this means

- Health sector priorities drive SHIN development.
- A common plan will ensure a more integrated health system in the longer term.

What we planned

Our stakeholders know our actions reflect the priorities of the health system.

What we did

- Developed and distributed newsletters on a quarterly basis.
- SHIN's CEO began a presentation tour of health districts identifying SHIN's progress and development plans.
- Website was updated regularly.
- Fact sheets were made available to health districts and health agencies.
- 1999/2000 Annual Report was distributed to a broad range of stakeholders.

What this means

- Health stakeholders and providers are better able to make informed suggestions about SHIN development.

SHIN's 2001 Balanced Scorecard

Financial

Did the board exercise due diligence in financial oversight?

- SHIN operates within the approved budget.
- A statement of services is provided to customers.

Internal Business Processes

What must we excel at?

- Services are available 99% of the time.
- 80% of customers are satisfied.
- 75% of projects are delivered on-time.
- 90% of projects are on-budget.

SHIN is the acknowledged expert in delivering secure health information resources for better health.

Learning and Growth

Can we continue to improve and create value?

- Improve 6 key project management practices.
- 80% of users are satisfied.

Stakeholders

How do our stakeholders evaluate our projects?

- 10 additional districts use Help Desk Services/ 25% more users.
- 100% of districts are connected to the network.
- 75% of pharmacies receive e-mail and/or Internet services.

SHIN Projects

MDS Central Host – In January 2001, SHIN began providing a centralized hosting environment for the Minimum Data Set (MDS) application for health districts across the province. MDS is an asse[illegible]nt tool, which is just starting to be used by long-term care homes in the province. By March 31, 2001 a total of three districts were connected to the application using the central hosting environment. The central hosting environment reduces the need for specific MDS support in districts. It also ensures a more consistent use of the application across the province. In addition a central database provides districts and Saskatchewan Health with the ability to look at aggregate de-identified data for trends and to assist with longer-term planning.

RPN Linda Nimegeers uses computer for patient assessment.

MDS Wireless/Hand-Held Pilot – In February SHIN and the Moose Jaw-Thunder Creek Health District initiated a pilot project that tested the use of wireless LAN technology and hand-held computers in accessing the centrally hosted MDS application. The pilot is intended to identify whether wireless hand-held computers will assist providers in conducting assessments at the patient bedside, and whether it will reduce duplicate data collection.

◀ "This is exciting. It has the real potential to be an important clinical decision support tool for nurses which would assist them in providing better care to patients."

Donna Brunskill,
Executive Director, SRNA

Integrated Systems Project – SHIN began work with the Battlefords, Moose Jaw-Thunder Creek, Prince Albert, East Central and Swift Current health districts on procuring an integrated system which will integrate aspects of patient information into a common view. The system will pull together the patient's lab, pharmacy, radiology, registration, home care, and transcription information. It will also provide information on operating room scheduling. A rigorous process is being used to procure the system. SHIN and the districts hope to begin system implementation in mid 2001/2002.

CommunityNet – SHIN worked closely with other government agencies on the development of CommunityNet. SHIN identified 300 health facilities that will be connected to CommunityNet by 2003/2004. Many long-term care facilities and any current operational upgrade links were priorized to receive CommunityNet access in the first year of implementation. Out of a total of 290 health facilities that will have access to CommunityNet by March 2002, 84 of these facilities will be long term care homes.

SHIN's Progress on the Strategic Plan – Continued

▶ MANAGE OUR BUSINESS EFFECTIVELY.

What we planned

Adequate strategic management processes.

What we did

- 1999-2000 Business and Financial Plan was approved by the SHIN Board.
- Developed a corporate Balanced Scorecard.

What this means

- Plan was implemented.
- Balanced Scorecard will be used to measure the Corporation's progress in the future. It will also be used to identify areas that require change.

What we planned

Adequate program management processes.

What we did

- Ensured budget allocation to projects linked to corporate strategic plan.
- Continued annual performance evaluations.
- Maintained an adequate professional development plan.
- Maintained compliance with Capability Maturity Model (CMM) policies.

What this means

- SHIN ensures project development and expenditures link with corporate mandate and strategic plan.
- SHIN ensures project development links to priorities identified by health stakeholders.
- SHIN ensures staffing make-up meets the need of the Corporation.
- Ensures SHIN is in compliance with established policies and procedures.

What we planned

Our stakeholders know our work is done effectively.

What we did

- SHIN's CEO began a presentation tour of health districts identifying SHIN's progress and development plans.

What this means

- Majority of SHIN stakeholders know what SHIN is currently doing and its longer-term development plans. They also know how SHIN is measuring progress on these plans.

SHIN's Progress on the Strategic Plan – Continued

▶ IMPROVE ACCESS TO INFORMATION FOR THE HEALTH SYSTEM WHEN IT IS PROVIDING SERVICE TO THE PEOPLE OF SASKATCHEWAN.

What we planned

Health information has an efficient and effective information systems infrastructure to meet its priorities.

What we did

- Assisted with the development of CommunityNet (for more details see SHIN Projects page).
- Help Desk services were expanded.
- Began centrally hosting applications for health system partners – 7 applications hosted.

What this means

- All communities will have better access to provincial health services.
- Health sector is better able to use IT to meet its service needs.

What we planned

Foster the development and use of common integrated information systems with a client focus across the health system.

What we did

- Began centrally hosting MDS application.
- Piloted hand-held technology with MDS.
- Worked with districts to begin procurement of an integrated system for mid-sized districts.
- Worked with Saskatoon District Health on implementation of EHR software.
- Worked with districts on development of requirements for provincial Home Care system.

What this means

- Application is consistent across the province.
- Assists providers in using MDS and reduces work duplication.
- Will enable providers to move patient information across districts.
- Will enable providers to have relevant patient information quickly.
- Supports district work on Home Care system.

SHIN Projects – Continued

CommunityNet will provide many benefits to the health sector because it will deliver a common network platform to all health care agencies in Saskatchewan. CommunityNet will offer a cost-effective model that delivers higher network speeds to core and remote locations. This will give the health sector the ability to deliver better health care to Saskatchewan residents. Within three years all health facilities will be connected to the network.

"We are very excited about being able to use the informational systems to provide clinicians and physicians with timely patient information at the click of a button."

Jim Fergusson,
CEO Saskatoon District Health

Sylvia Sparks integrates systems in Saskatoon District Health

Saskatoon SCM Implementation Pilot – SHIN began work assisting Saskatoon District Health in implementing SunRise Clinical Manager in the emergency room in St.Paul's Hospital and in the three health records departments. This project is intended to deliver clinical information to providers in an emergency room setting in a real time manner, assisting them in making more informed decisions as they deliver care.

Home Care Requirements – SHIN began working with health districts and Saskatchewan Health on documenting the administrative needs of the home care service delivery and management programs within the province. In addition, this group documented how home care relates to other health care service delivery mechanisms. Potential information technology solutions were identified.

"Having e-mail will mean that we won't waste a lot of time, and it will be a lot easier for us in dealing with customers."

George Furneaux,
Shoppers Drug Mart Owner/Pharmacist

George Furneaux uses Internet/e-mail service

Pharmacy Internet – SHIN worked with the Information Technology Task Force of the Representative Board of Saskatchewan Pharmacists to deliver e-mail and Internet services to provincial pharmacies. By the end of 2000/2001, more than 40 pharmacies had received e-mail accounts. SHIN anticipates delivering Internet services to all urban pharmacies in 2001/2002. (Rural pharmacies currently have Internet services.) This project will enable pharmacists to communicate electronically with each other and with other health providers. It will also enable pharmacists to research drug profiles efficiently and effectively, providing significant benefits to Saskatchewan residents.

SHIN Projects – Continued

Shelley Lipon presents to health providers

Health Provider Presentations – SHIN's CEO initiated a series of presentations to front-line providers. These presentations outlined SHIN's progress to date and identified future development plans. As part of the presentation, providers were encouraged to give feedback and suggestions. The information gathered in these sessions was used to develop rollout planning.

◀ "The feedback and suggestions we receive from front line health providers through these presentations have a significant impact on the future of SHIN development in this province."

Shelley Lipon,
SHIN CEO

Security – SHIN is working on implementing a highly secure infrastructure called Public Key Infrastructure (PKI). PKI is a combination of policy and software, which provides security many times higher than that used by much of the banking industry. Security measures around patient information will go much further than they do today. Security measures will include encryption, strong authentication, digital signatures and auditing. PKI is the only infrastructure which enables the combination of all of these measures.

With the implementation of CommunityNet, SHIN continues to enhance its security model by including Virtual Private Networks (VPNs) to each facility. The VPN will be used to increase the level of facility authentication, as well as data encryption.

SHIN is working with Health Canada on examining issues relating to the secure transmission of information across jurisdictions.

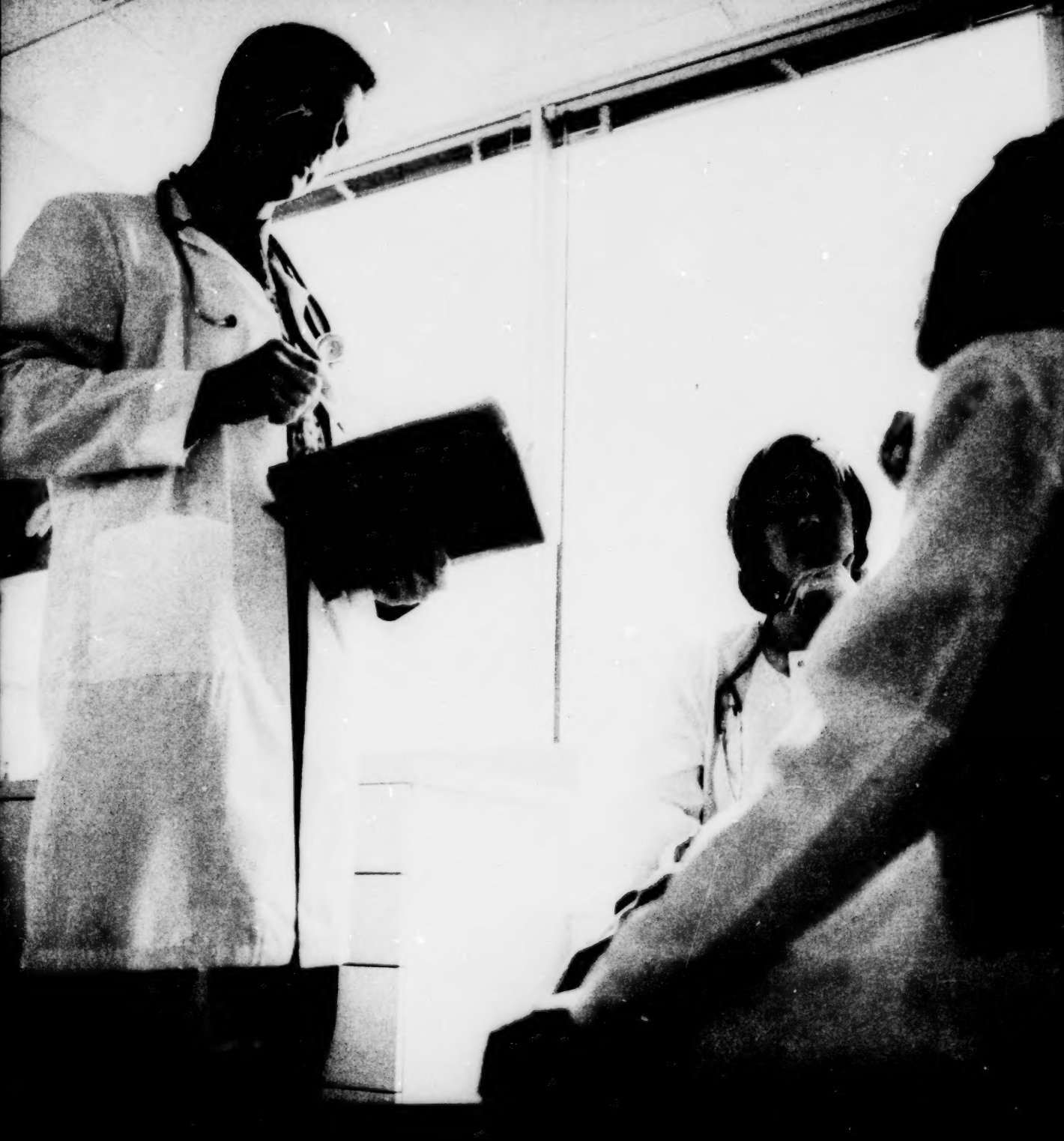
SHIN Help Desk analyst talks to users

Help Desk – By the end of March 31, 2001 SHIN's Help Desk was providing Help Desk support services to eight health districts, the Department of Family Medicine and the College of Physicians and Surgeons of Saskatchewan. This service provides basic information technology support to areas that may not otherwise have these services. It also enables the tracking of broader provincial software issues. SHIN will continue to expand its Help Desk services in 2001/2002.

◀ "This centralized approach to our district has certainly enhanced problem solving for our staff in a timely manner and I am sure helped our IT staff focus on other issues."

Marga Cugnet,
VP Patient Services,
South Central Health District

E-Mail Infrastructure Services – SHIN provided e-mail infrastructure services to 27 health districts. With the advent of CommunityNet, SHIN anticipates expanding this service to additional districts in 2001/2002. This infrastructure facilitates increased electronic communication between health districts.



Manager's Responsibilities

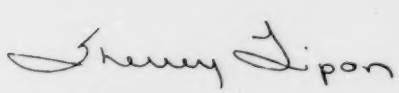
The accompanying financial statements included in the Annual Report for the year ended March 31, 2001, are the responsibility of management. Management has prepared these financial statements in accordance with Generally Accepted Accounting Principles in Canada, consistently applied using management's best estimates and judgements where appropriate.

The Board of Directors is responsible for overseeing the business affairs of the Corporation and also has the responsibility for approving financial statements. The Board fulfills these responsibilities by reviewing financial information prepared by management and discussing relevant matters with management and external auditors.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the financial statements. The internal controls provide reasonable assurance that transactions are recorded and executed in compliance with legislation and required authority, that assets are properly safeguarded and that reliable records are maintained.

The Provincial Auditor of Saskatchewan has audited the financial statements. His report to the Members of the Legislative Assembly appears preceding the financial statements.

Charlene Gavel,
Chief Financial Officer



Shelley Lipon,
Chief Executive Officer

Auditor's Report

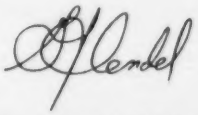
To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Health Information Network (the Corporation) as at March 31, 2001 and the statements of operations and accumulated surplus (deficit), cash flows and tangible capital assets for the year then ended. The Corporation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted an audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Corporation received grants from the General Revenue Fund for the purposes of developing the Saskatchewan Health Information Network. The Corporation recorded these grants as revenue in the year they were received. However, grants received for the purposes of acquiring tangible capital assets should be recorded as revenue when the related tangible capital assets are acquired. Any grants received in advance should be recorded as deferred revenue. Had the Corporation properly recorded these grants, revenue would have increased and the deficit would have decreased by $1,404,000 (2000 - $2,357,000).

In my opinion, except for the effects of the failure to properly record grants as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
May 31, 2001

Fred Wendel, CMA,CA,
Acting Provincial Auditor

Statement 1 – Statement of Financial Position

As of March 31, 2001 (THOUSANDS OF DOLLARS)

	2001	2000
FINANCIAL ASSETS:		
Due from General Revenue Fund (Note 3)	$ 1,952	$ 1,364
Accounts Receivable		
Saskatchewan Health	0	2,205
Other	686	42
Note Receivable – SaskTel (Note 5)	27	0
Prepaid Expenses	67	0
Long Term Note Receivable – SaskTel (Note 5)	62	0
TOTAL FINANCIAL ASSETS	2,794	3,611
LIABILITIES		
Accounts payable and accrued liabilities	994	1,661
Payable to Saskatchewan Opportunities Corporation	97	0
Current Portion of Obligations Under Capital Leases (Note 8)	36	0
Current Portion of Obligations Under Capital Leases with SaskTel (Note 5 and 6)	73	0
Obligations Under Capital Leases (Note 8)	96	0
Obligations Under Capital Leases with SaskTel (Note 5 and 6)	283	0
TOTAL LIABILITIES	1,579	1,661
ACCUMULATED SURPLUS (STATEMENT 2)	$ 1,215	$ 1,950
Accumulated Surplus represented by:		
Accumulated Operating Results	16,910	17,395
Less Tangible capital assets (Statement 4)	(15,695)	(15,445)
	$ 1,215	$ 1,950

(See accompanying notes to financial statements)

Statement 2 – Statement of Operations and Accumulated Surplus

For the year ended March 31, 2001

(THOUSANDS OF DOLLARS)

	2001 Budget	2001 Actual	2000 Actual (Note 9)
REVENUE			
Grants from Saskatchewan Health	$ 5,400	$ 5,400	$ 9,600
Interest and other revenue	0	982	565
TOTAL REVENUES	5,400	6,382	10,165
EXPENSES			
Salaries and Benefits	462	416	434
Board Expenses	49	28	28
Purchased Services	555	587	2,886
Ongoing Operations	2,400	2,620	2,391
Amortization	3,500	2,714	2,033
Accommodation Expense	250	195	231
Miscellaneous expenses	179	307	92
TOTAL EXPENSES	7,395	6,867	8,095
Operating Results	$ (1,995)	(485)	2,070
Net Increase in tangible capital assets (Statement 4)		(250)	(2,951)
DEFICIT FOR THE YEAR		(735)	(881)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		1,950	2,831
ACCUMULATED SURPLUS, END OF YEAR		$ 1,215	$ 1,950

(See accompanying notes to financial statements)

Statement 3 – Statement of Cash Flows

For the Year ended March 31, 2001 (THOUSANDS OF DOLLARS)

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year	$ (735)	$ (881)
Changes in non-cash working capital balances:		
Decrease (Increase) in accounts receivable	1,405	(2,132)
Decrease in accounts payable and accrued liabilities	(82)	(410)
Increase (Decrease) in Cash for the year	588	(3,423)
Due from General Revenue Fund, beginning of the year	1,364	4,787
Due from General Revenue Fund, end of the year	$ 1,952	$ 1,364

(See accompanying notes to financial statements)

Statement 4 – Statement of Tangible Capital Assets

As of March 31, 2001

(THOUSANDS OF DOLLARS)

	2001							2000
	Desktop Computer Hardware	Computer Network Hardware	Desktop Computer Software	Licensed or Multiple Application Software	Office Furniture and Equipment	System Development Costs	Total	Total
Opening Cost	$324	$3,630	$383	$5,214	$3	$7,930	$17,484	$12,499
Additions During the Year	0	233	3	1,139	0	1,103	2,478	4,984
Disposals	0	(230)	0	0	0	0	(230)	0
CLOSING COST	324	3,633	386	6,353	3	9,033	19,732	17,483
Opening Accumulated Amortization	113	453	115	0	1	1,356	2,038	5
Annual Amortization	108	779	129	0	0	1,625	2,641	2,033
Disposals	0	(24)	0	0	0	0	(24)	0
Closing Accumulated Amortization	221	1,208	244	0	1	2,981	4,655	2,038
SUBTOTAL	103	2,425	142	6,353	2	6,052	15,077	15,445
Leased Capital Assets								
Opening Cost	0	0	0	0	0	0	0	0
Additions	25	410	0	0	257	0	692	0
Disposals	0	0	0	0	0	0	0	0
CLOSING COST	25	410	0	0	257	0	692	0
Opening Accumulated Amortization	0	0	0	0	0	0	0	0
Annual Amortization	2	0	0	0	72	0	74	0
Disposals	0	0	0	0	0	0	0	0
Closing Amortization	2	0	0	0	72	0	74	0
SUBTOTAL OF LEASED CAPITAL ASSETS	23	410	0	0	185	0	618	0
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	$126	$2,835	$142	$6,353	$187	$6,052	$15,695	$15,445

Notes to the Financial Statements

1. DESCRIPTION OF BUSINESS

The Saskatchewan Health Information Network (SHIN) was established as a Treasury Board Crown Corporation by Order in Council 581/1997 under the provisions of *The Crown Corporations Act*, 1993 (Act) effective August 19, 1997.

SHIN was created to design, implement, own, operate, and manage a Saskatchewan Health Information Network. SHIN's purpose is to foster the development of the health information technology sector, to foster re-engineering of health delivery processes and to protect health information as a strategic resource.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared using accounting principles appropriate for the public sector and reflect the following significant accounting principles.

a) The Basis of Accounting
The financial statements are prepared on the accrual basis of accounting.

b) Revenue
Contributions from Saskatchewan Health - General Revenue Fund or other sources are included in revenue when received or receivable.

c) Expenses
Expenses represent the cost of resources consumed during the year for operations. Expenses include provision for the amortization of tangible capital assets.

d) Tangible Capital Assets
Tangible Capital Assets are recorded at cost and are amortized over their useful life. Amortization is recorded, commencing with the quarter after the assets are placed into service, on a straight-line basis over their estimated useful lives as follows:

• Desktop Computer Hardware	3 years
• Computer Software	3 years
• Network Hardware, Software & System Development Costs	5 years
• Office Equipment	5 years
• Office Furniture	10 years

The Licensed or Multiple Application Software is not yet placed in service and therefore no amortization is recorded.

e) Net increase in Tangible Capital Assets
The net increase in Tangible Capital Assets represents adjustments required to report the surplus (deficit) for the year on an expenditure basis.

Notes to the Financial Statements – Continued

3. DUE FROM THE GENERAL REVENUE FUND

SHIN's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Corporation's bank account using the Government's thirty day borrowing rate and SHIN's average daily account balance.

4. COMMITMENTS

At March 31, 2001, SHIN had, by agreement, the following commitments:

Agreement with SAIC:
On March 11, 1998, SHIN entered into a service agreement pursuant to Order in Council 161/1998 with the Science Applications International Corporation Canada (SAIC) to implement the Saskatchewan Health Information Network. The Agreement allows for SHIN to commit to specific pieces of work. As at March 31, 2001, $453,000 (2000 - $1.1 million) is committed under this agreement.

Maintenance Agreement for software:
Effective March 31, 2001 SHIN signed an agreement with Momentum Healthware. Under the terms of the agreement Momentum will provide maintenance for software used by long-term care facilities. The amount committed is $80,000.

5. AGREEMENT WITH SASKTEL:

On July 31, 2000, SHIN entered into a five year Master Service Agreement (MSA) with SaskTel to provide Data Centre Services. Under this agreement SaskTel houses and operates SHIN's Data Centre equipment. The committed costs related to Data Centre Services are $16,940 per month.

The equipment in the data centre is purchased by SaskTel and leased to SHIN. SHIN has recorded these as capital leases in its financial statements.

Upon inception of the lease, SaskTel purchased existing data centre equipment from SHIN and entered into a sales-lease-back arrangement. The net book value of the equipment transferred was $133,000. SaskTel is reducing the amount of the SHIN's lease by $2,212 over 60 months to reflect the purchase of this equipment from SHIN. This has been included in the financial statements as a receivable from SaskTel.

The following leases for computer equipment are in effect, which expire concurrent with the MSA on July 31, 2005:

A 54 month lease with monthly payments of $2,179
A 56 month lease with monthly payments of $2,236
A 55 month lease with monthly payments of $1,174
A 60 month lease with monthly payments of $2,212

Minimum annual payments under leases on property and equipment over the next 5 years are as follows:

2002	$93,600
2003	$93,600
2004	$93,600
2005	$93,600
2006	$23,400
Total Minimum Lease Payments:	$397,800
Less Amount Representing Interest:	$41,800 (at 9.5% interest)
Balance of the Obligation:	$356,000

6. RELATED PARTIES

These financial statements include transactions with related parties. SHIN is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, SHIN pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

7. FINANCIAL INSTRUMENTS

SHIN's financial instruments include due from the General Revenue Fund, accounts receivable, long-term note receivable, and accounts payable. The carrying amount of these instruments approximates fair value due. These instruments have no interest or credit risk.

Notes to the Financial Statements – Continued

8. LEASE ARRANGEMENTS

SHIN has several leases on property and equipment. The minimum annual lease payments for capital leases over the next four years, and the operating lease over the next year are as follows:

Capital leases:

2002	$ 47,160
2003	$ 47,160
2004	$ 41,100
2005	$ 19,800
Total Minimum Lease Payments:	$155,220
Less Amount Representing Interest:	$ 23,400 (rates vary between 7.8% and 11%)
Balance of the Obligation:	$131,820

Operating lease:

2002	$164,265

9. COMPARATIVE INFORMATION

Certain 1999-2000 balances have been re-classified to conform with the current year's presentation.

Saskatchewan Health Information Network
Payee List
For the Year Ended March 31, 2001
(Unaudited)

Supplier Payments

Listed are payees who received $20,000 or more for the provision of goods and services, including office supplies, communications, contracts, and equipment.

SAIC	$5,373,369
SaskTel CMR	1,065,184
Saskatchewan Opportunities Corporation	230,543
Momentum Health Information Systems	161,332
Entrust Technologies	157,008
Paradigm Consulting Group Inc	155,913
MacPherson, Leslie & Tyerman	113,996
Provincial Treasurer of Alberta	76,344
Microdata Consulting Services	50,707
Saskatchewan Property Management	40,240
Brown Communications Group	37,627
Marsh Canada Limited	22,070

Personal Services

Listed are individuals (excluding Unionized employees) who received Payments for salaries, wages, honorarium, etc. which total $2,500 or more.

Shelley Lipon	$98,757
Terry Kereluke	82,873
Lori Hutchison Hunter	52,296
Virginia Wilkinson	45,847
Charlene Gavel	27,915
Danita Tytlandsvik	18,623
Victor Schwab	17,271